

MINUTES OF REGULAR MEETING OF DIRECTORS
September 27, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, September 27, 2016, beginning at the new headquarters site and then at the Murphysboro office. The meeting was called to order at 8:30AM by President Jarrett. Present for the meeting were:

Ken Jarrett, Pres.	Allen Haake	James Riddle, EVP/GM
	Gil Kroening	M. Shane Hermetz, Staff
Paul Hicks, Sec.-Treasurer	Kevin Liefer	Art Pontow, Staff
	Paul Pyatt	Dennis Luehr
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff
		Bart Swisher, Staff

Others attending the ground breaking ceremony are listed on a sign in sheet made a part of these minutes.

Randall Campbell and Steve Prest were absent.

GROUNDBREAKING CEREMONY: Following is the welcome given by Mr. Jarrett:

As current Egyptian Electric board chairman, I would like to thank you for attending this important day in our Cooperative history.

After many months of evaluation and deliberation we are here today to commence the work of our new headquarters facility. This monumental decision could be the biggest that many of this board will make as a director during their time of service on behalf of the members of Egyptian Electric. This new facility will proudly serve the members and employees for many years to come. While the process hasn't gone without issues, as board members, we truly believe that this is for the best long-term interest of our cooperative members.

With that said, I am proud to officially kick-off the construction of new headquarters site.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held August, 2016, review the list of checks written during the prior month (the EVP/GM expenses were reviewed by the Secretary/Treasurer), the prior month's treasurer's report, capital credit estate refunds (\$4,180.42), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Liefer, and seconded by Mr. Kroening.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Haake, Mr. Liefer, Mr. Pyatt and Mr. Riddle. A motion was made to approve these reports by Mr. Kroening, seconded by Mr. Ebers, motion carried.

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He gave the regulatory report update. Hermetz also presented the Language Action Plan to address Low English Proficiency requirement as per EECA Policy 406.

FINANCIAL REPORTS: Mr. Pontow presented the financials for August 2016 for review. Net margin for August is \$68K vs budget loss of \$228K. Electric Revenue at \$3,585,116 down 1.5% from August last year at \$ 3,639,004 and YTD at \$26,131,874 vs \$27,776,442 for August last year down 5.9%. KWH sales at 31,023,512 down 3.2% from August last year at 32,065,587 and YTD at 225,372,532 vs 243,960,472 for August last year down 7.6%. KWH purchases at 32,306,857 up 7.8% from August last year at 29,965,692 and YTD at 238,050,975 vs 249,889,969 down 4.7%. On Major Cost Analysis Power Cost was down \$11,599, Labor down \$25,764, Fringes down \$45,820, ROW Maintenance up \$8,814, Interest Expense down \$8,682, Transportation Expense down \$6,672, Line, Meter and Transformer Maintenance down \$19,414, Directors' Expense up \$9,917 and Computer Maintenance up \$8,640. Pontow also provided an update of the State of Illinois and SIU accounts.

STAFF REPORTS: Guthman, Luehr and Swisher reported on current items they are involved in.

LEGAL REPORT: Attorney Broom discussed Policy 106 being revised, the Vergennes waterline easement needed from Bigham's, property being sold to Michael Prest, new Carbondale sub site property issues and capital credit training and flowcharts.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report. Items of correspondence were shared. A goals update was given. It was recommended to continue the PCA credit as is. Riddle informed the board about discussions with IBEW over the new headquarters and our contract. Riddle discussed appraising and possible sale of the excess land at Steeleville and of the Murphysboro facility. Upon a motion by Mr. Pyatt, seconded by Mr. Haake, the manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Haake, seconded by Mr. Kroening, the **2016/2017 EECA Goals** were unanimously approved.

A **headquarters committee report** was given by Haake, Riddle, Hermetz and Guthman.

EXECUTIVE SESSION: none

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, October 25, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:49AM.

Date Approved October 25, 2016

Paul Hicks, Secretary

Recorded by Jim Riddle